News-item captioned 'Shady Deals Worth Rs. 1000 Crore Come to Light'

2305. SHRI J. P. GOYAL: Will the Minister of FINANCE be pleased to state:

(a) whether Government's attention has been drawn to a news-item published in the Indian Express of the 21st February, 1986 captioned 'Shady deals worth Rs. 1000 crore come to light';

(b) if so, what are the names of the major business houses in the country whose premises were raided by the Enforcement Directorate recently which revealed fraudulent deals and other illegal foreign exchange transactions;

(c) what was the *modus operandi* adopted by these firms; and

(d) what action has so far been taken or proposed to be taken against such unscrupulous business houses?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHAN POOJARI): (a) Yes, Sir.

(b) and (c) The premises of the following big business houses, suspected to be involved in violation of the provisions of Foreign Exchange Regulation Act, were searched during 1985-86 by the Enforcement Directorate:

1. Kirloskar Group of Companies.
2. Vikram Exports.
3. United Breweries Ltd
4. Oswal Group.
5. Brooke Bond India Ltd.
6. A.B. Cursetji & Co.
7. M/s. Bata India Ltd.

The *modus-oparandi* adopted by company(ies) included over invoicing of experts, non-realisation of export-proceeds, retention of commission and establishing of benami companies abroad.

(d) In some cases, invetigations are still in progress. In a few cases, Show Cause Notice(s) have been issued and in one case, prosecution has also been launched. Appropriate action under the law, as warranted by the results of investigations, will be taken.

Steps to boost up demand for raw jute goods

2306. SHRI GURUDAS DAS GUPTA: Will the Minister of TEXTILES be pleased to state what steps Government propose to take to boost up the demand for raw jute goods in the internal market?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI KHURSHID ALAM KHAN): At present, there is hardly any imbalance between demand and supply of jute goods in the country as inspite of larger production, off take has also kept pace with production. However, Government has been taking various steps, from time to time, for boosting demand for jute goods in the internal market, which include;

(i) purchase of jute goods by Government (DGS&D) from jute industry on cost plus basis;

(ii) Compulsory use of 100 per cent new jute bags by cement industry;

(iii) improving the competitiveness of jute goods *vis-a-vis* synthetic substitute through fiscal and R&D efforts.

Supply of wheat, rice and sugar to States

2307. SHRI V. NARAYANASAMY: Will the Minister of FOOD AND CIVIL SUPPLIES be pleased to state:

(a) what was the total quantity of wheat, rice and sugar supplied by the Central Government to the different States from the Central pool during the year 1985-86;